

Message Text

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ACTION IO-03

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TO SECSTATE WASHDC 6055

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY TEL AVIV

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E.O. 11652: N/A

TAGS: AFIN, AORG, UNRWA

SUBJ: FUNDING OF UNRWA

REF: A. USUN 3018NOTAL, B. STATE 202624, C. CAIRO 7124,

D. STATE 199024, E. BEIRUT 11012

SUMMARY: USUN RECOMMENDS THAT WE ATTEMPT TO ENCOURAGE
IDEA OF INCLUDING UNRWA GENERAL ADMINISTRATION COSTS
IN UN REGULAR PROGRAM BUDGET. END SUMMARY

1. AS DEPT POINTED OUT IN REFTEL B UNRWA WILL
FACE FINANCIAL CRISIS OF UNPRECEDENTED DIMENSIONS
DURING NEXT YEAR AND, WE SUSPECT, THERE IS EVERY IN-
DICATION THAT THIS SITUATION WILL CARRY OVER INTO
FUTURE YEARS. WE AGREE FULLY THAT EVERY EFFORT
SHOULD BE MADE TO ENCOURAGE INCREASED CONTRIBUTIONS
FROM CURRENT DONOR COUNTRIES AND ABOVE ALL, OBTAIN
NEW CONTRIBUTIONS FROM STATES WHICH ARE ABLE TO CONTRIBUTE BUT WHICH

HAVE NOT DONE SO. NEVERTHELESS, IT SEEMS CLEAR THAT ADDITIONAL
STEPS WILL HAVE TO BE TAKEN TO DEAL WITH PROBLEM.

2. COMMISSIONER GENERAL RENNIE HAD SUGGESTED PARTIAL FUNDING
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OF UNRWA FROM UN REGULAR BUDGET. COMGEN'S REPORT (A/9013) TO

28TH UNGA NOTES THAT THERE WAS "NO AGREEMENT ON THE QUESTION WHETHER ANY PART OF UNRWA'S BUDGET SHOULD BE TRANSFERRED TO THE UNITED NATIONS REGULAR BUDGET..." REPORT CONTINUED THAT FEASIBILITY OF SUCH A TRANSFER SHOULD BE DISCUSSED FURTHER. AMEMBASSY CAIRO HAS REPORTED (REFTEL C) SOME SENTIMENT TO SEE UNRWA BUDGET INCLUDED IN REGULAR PROGRAM BUDGET. DEPARTMENT'S VIEW (REFTEL D) IS THAT USG NOT NECESSARILY OPPOSED TO PARTIAL FUNDING OF UNRWA INTERNATIONAL STAFF FROM UN REGULAR PROGRAM BUDGET, BUT DOES NOT BELIEVE WE SHOULD TAKE LEAD ON THIS QUESTION. AMEMBASSY BEIRUT (REFTEL E) SUGGESTS THAT IT WOULD BE BEST TO RAISE MATTER IN SPECIAL POL COMMITTEE OF UNGA RATHER THAN THRU ADCOM OR WORKING GROUP.

3. IN SPECIAL OCTOBER 2 MEMO TO SECRETARY OF WORKING GROUP ON FINANCING OF UNRWA, CONGEN (THROUGH UNRWA LIAISON OFFICER VAN WYCK) SPEAKS OF RISK OF TOTAL COLLAPSE OF AGENCY AND CALLS FOR UNGA TO ACCEPT GREATER RESPONSIBILITY FOR FINANCING. POSSIBLE ALTERNATIVES CITED ARE NEGOTIATIONS OF ADEQUATE CONTRIBUTIONS DURING CURRENT SESSION OF GA OR TRANSFER OF PART OF BUDGET TO UN REGULAR PROGRAM BUDGET, E.G., "COSTS RELATED TO DEVELOPMENTAL ACTIVITIES SUCH AS EDUCATION AND HEALTH, LEAVING RELIEF ON A VOLUNTARY FUNDING BASIS." ACCORDING TO VAN WYCK, CONGEN DID NOT INCLUDE PROPOSAL THAT COSTS OF INTERNATIONAL CIVIL SERVANTS BE PICKED UP BY UN, BECAUSE HE ALREADY HAD MADE THIS PROPOSAL NUMEROUS TIMES WITHOUT EFFECT.

4. USUN BELIEVES THAT IF ANY PORTION OF UNRWA BUDGET IS TO BE TRANSFERRED TO REGULAR UN BUDGET, IT SHOULD BE THAT CATEGORY OF UNRWA BUDGET ENTITLED "GENERAL ADMINISTRATION," PART IV OF COMMON COSTS. THIS APPROACH SHOULD HAVE LEAST POSSIBLE EFFECT ON ATTITUDE OF DONORS WHO NORMALLY ARE INCLINED TO OFFER VOLUNTARY CONTRIBUTIONS FOR UNRWA PROGRAMS AND NOT FOR ADMINISTRATIVE COSTS.

FOR THIS REASON, WE DO NOT FORESEE ADVERSE EFFECT ON FUTURE VOLUNTARY CONTRIBUTIONS BEING MADE TO UNRWA'S PROGRAM.

5. UNRWA BUDGET ESTIMATES FOR GENERAL ADMINISTRATION FOR 1975 AMOUNT TO \$2.3 MILLION; FOR 1974, \$2.1 MILLION, AND IN 1973 - \$1.8 MILLION. THESE AMOUNTS COVER COSTS OF GENERAL ADMINISTRATIVE SERVICES AT BEIRUT HEADQUARTERS OF UNRWA, FIVE FIELD OFFICES AND LIAISON OFFICES IN NEW YORK, GENEVA, AND CAIRO, PLUS PUBLIC INFO SERVICES. ACCORDING TO LAST REPORT OF COMGEN, AS OF JUNE 1973 MANNING TABLE UNDER GENERAL ADMINISTRATION INCLUDED 84 INTERNATIONALLY

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SECONDED BY UN SPECIALIZED AGENCIES.

6. WHILE THERE MAY BE SOME SENTIMENT FOR TRANSFERRING ENTIRE UNRWA BUDGET--GENERAL ADMINISTRATION AND PROGRAM--TO UN REGULAR PROGRAM BUDGET, FOR PRESENT THIS IDEA HAS NOT SURFACED IN UN BEYOND BRIEFEST CORRIDOR SPECULATION BY SOME ARAB REPS. MANY FACTORS WOULD HAVE TO BE CONSIDERED BEFORE SUCH A DRASTIC DECISION COULD BE TAKEN. ON POSITIVE SIDE, THIS DECISION WOULD ENSURE CONTINUED LIFE OF UNRWA, RECOGNIZE FINANCIAL COLLECTIVE RESPONSIBILITY

OF ALL UN MEMBERS UNDER ARTICLE 17 OF CHARTER, AND REDUCE US SHARE OF COST. ON OTHER HAND, IF THIS MATERIALIZES THERE PROBABLY WOULD BE ATTEMPT TO ESTABLISH SEPARATE SCALE OF ASSESSMENTS AS WAS DONE AT 28TH UNGA FOR UNEF, CONTRIBUTIONS MADE IN KIND FROM MANY DONORS, (INCLUDING STATES SHELTERING REFUGEES) WOULD BE DIFFICULT TO VALUE FOR ASSESSMENT PURPOSES, WITHHOLDINGS LIKELY TO BE MADE BY USSR AND CHINA (THUS ADDING TO CRITICAL UN CASH POSITION), AND UNFORTUNATE PRECEDENT WOULD BE ESTABLISHED BY PALCING MAJOR RELIEF OPERATION IN UN REGULAR BUDGET. GIVEN FROEGOING, USUN'S INITIAL REACTION WOULD BE TO OPPOSE SUCH A TRANSFER.

7. MOST RECENT SUGGESTIONBY CONGEN (PARA 3 ABOVE) FOR POSSIBLE TRANSFER TO UN BUDGET OF DEVELOPMENTAL ACTIVITIES SUCH A HEALTH AND EDUCATION SERVICES WOULD MEAN AN ADDITION OF \$56,492,000TO UN REGULAR BUDGET IN 1975 (BASED ON COMGEN ESTIMATES.) MANY OF ARGUMENTS MENTIONED IN PARA 6 WOULD APPLY ALSO TO THIS PROPOSAL.

8. ACTION REQUESTED : USUN IN ANY EVENT BELIEVES IT WOULD BE DESIRABLE TO TAKE LIMITED INITIATIVES TO STIR UP SUPPORT FOR NOTION OF INCLUDING IN UN REGULAR PROGRAM BUDGET PART OF UNRWA COSTS, RECOGNIZING THAT IT WOULD BE UNDESIRABLE (BUT NOT UNTHINKABLE) TO SEEK CHANGE IN MID-TERM OF PRESENT BIENNIUM. WITH DEPT'S CONCURRENCE, WE WOULD SOUND OUT UK, FRANCE, NORWAY, FRG, EGYPT, TURKEY, JAPAN, AND LEBANON AS STARTERS TO OBTAIN THER VIEWS ON INCLUSION OF "GENERAL ADMINISTRATION" COSTS. EGYPT AND TURKEY COULD BE ASKED TO TAKE LEAD IN SUGGESTING THIS IN SPC. WHEN UNRSA REPORT IS SUBMITTED TO SPC, DRAFT RESOLUTION ALONG THESE LINES MIGHT BE TABLED IN COMMITTEE BY ONE OF THESE DELS. FUNDING, HOWEVER, WOULD BEGIN IN UN BIENNIUM 1976-77 BUT WE SHOULD EXPECT STRONG MOVE TO HAND IT BEGIN IN MID-TERM 1975. SPEC REPORT AND APPROVED RESOLUTION THEN WOULD BE CONSIDERED IN FIFTH COMMITTEE WHERE WE WOULD MAKE SUPPORTING STATEMENT, HOPEFULLY COMMITTEE WOUOD THEN RECOMMEND THAT SYG INCLUDE UNRWA GENERAL ADMINISTRATIVE EXPENSES LIMITED OFFICIAL USE

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IN HIS NEXT BIENNIAL PROGRAM BUDGET SUBMISSION.

9. SUBJECT TO DEPARTMENT'S CONCURRENCE, WE SUGGEST AMEMBASSY BEIRUT DISCUSS FOREFOING WITH COMGEN RENNIE TO OBTAIN HIS VIEWS SO THAT SCENARIO CAN BE WORKD OUT PRIOR TO HIS ARRIVAL IN NEW YORK.
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